

Committee on Ways and Means

Key Ways and Means Legislation Signed Into Law

The Bush Tax Cut

Signed into Law: June 7, 2001

Provides \$1.35 trillion in tax relief to the American people.

- *It eliminates the marriage penalty for most middle class taxpayers*
- *Eliminates the death tax by the year 2010*
- *The long-term economic growth package lowers tax rates for all Americans and provides pension reforms that will increase tax-free IRA and 401 (k) contributions.*
- *Tax refunds provided immediate economic stimuli last year*
- *The tax relief package helps families manage the costs of raising children by increasing the adoption tax credit for couples adopting children, doubling the child credit from \$500 to \$1000, and by giving more tax relief for education expenses*

Job Creation and Worker Assistance Act of 2002

Signed into Law: March 9, 2002

Offers immediate help for the economy. The measure focuses on improving incentives to work and invest.

- *Allow an additional first year 30 percent depreciation allowance for property, which has a recovery period of 20 years, or less, is water utility property, or computer software, and which was acquired between September 10, 2001, and September 11, 2004, and is placed in service before January 1, 2005.*
- *Allows certain other property to qualify for such allowance under certain conditions if it has a recovery period of at least ten years or is transportation property.*
- *Extends the net operating loss carryback period from two to five years for such business losses arising between September 10, 2001, and September 11, 2004. Provides a temporary suspension of a specified limit on certain carryovers of such losses for purposes of an alternative tax deduction on them.*
- *Allows States to opt to enter into agreements for a program of temporary extended unemployment compensation (TEUC), which extends UC for up to an additional 13 weeks for individuals who have exhausted their 26 weeks of regular UC coverage.*
- *Tax Incentives for New York City and Distressed Areas*

Trade Act of 2002

Signed into Law: August 6, 2002

The package included five major bills: Trade Promotion Authority (TPA), Trade Adjustment Assistance (TAA), Andean Trade Promotion Authority (ATPA), Generalized System of Preferences (GSP) and the Customs Border Security Act.

- *TPA - H.R. 3009 grants the president the power to negotiate international trade agreements in consultation with Congress, while allowing Congressional approval or*

rejection without amendments. Since 1974, every president has had this authority until it lapsed in 1995.

- *When this authority was not renewed in 1994 despite the efforts of many Republicans, President Clinton was limited in his ability to negotiate trade agreements that would further open global markets to U.S. products, services and agricultural commodities.*
- *Increases consultation with Congress throughout the negotiating process, including through the establishment of the Congressional Oversight Group (COG).*
- *TAA - The bill extends temporary help to those who, through no fault of their own, have lost their jobs through a trade-related circumstance. It offers a 65 percent refundable tax credit to provide laid-off workers access to affordable health insurance. It also adds 26 weeks of benefits to match training and assists farmers who are not entitled to benefits under the Farm Bill.*
- *Allows workers to receive benefits if their firm shifts production to any country with a free trade agreement with the United States or to a country eligible under the Caribbean Basin Initiative, the Africa Growth and Opportunity Act, or the Andean Trade Preferences Act.*
- *Also allows workers to receive benefits if their firm shifts production to a country and imports have increased, or are likely to increase.*
- *ATPA and GSP - In an effort to build mutually beneficial partnerships, the legislation includes benefits to assist Andean, Caribbean, and African regions by expanding existing trade relationships and renewing the Generalized System of Preferences through 2006 while establishing new criteria on the worst forms of child labor and terrorism.*
- *The **Customs Border Security Act** authorizes the Customs Services' budget with increased funding for borders to combat illegal transshipment. It provides immunity for Customs inspectors who act in good faith by following federal inspection procedure and use reasonable means during searches.*